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July 29, 2008

H. Jay Freeman
General Manager
Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KY 41102

CERTIFICATE OF SERVICE

RE: Case No. 2008-00268
Natural Energy Utility Corporation

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on July 29, 2008.

A handwritten signature in black ink, reading "Stephanie Stumbo".

Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF NATURAL) CASE NO. 2008-00268
ENERGY UTILITY CORPORATION)

ORDER

On July 9, 2008, pursuant to the terms of its Purchased Gas Adjustment Clause, Natural Energy Utility Corporation ("Natural Energy") filed an interim report with the Commission to update its Gas Cost Recovery ("GCR") rate to be effective July 1, 2008. The Commission has already approved a GCR effective July 1, 2008 and cannot retroactively approve a prospective rate. In addition, Natural Energy's tariff requires 30 days' notice for its GCR filings. The effective date of this interim filing will therefore be August 8, 2008, rather than July 1, 2008.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Natural Energy's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Natural Energy's notice sets out an Expected Gas Cost ("EGC") of \$11.8547 per Mcf, which is an increase of \$3.1012 per Mcf from the previous EGC of \$8.7535.
3. Natural Energy's notice sets out no current quarter supplier Refund Adjustment ("RA"). Natural Energy's notice sets out no total RA.

4. Natural Energy's notice sets out no current quarter Actual Adjustment ("AA"). Natural Energy's total AA is \$.7858 per Mcf, which is no change from the previous total AA.

5. Natural Energy's GCR is \$12.6405 per Mcf, which is an increase of \$3.1012 per Mcf from the previous GCR of \$9.5393.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Natural Energy on and after August 8, 2008.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after August 8, 2008.

2. Within 20 days of the date of this Order, Natural Energy shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of July, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00268 DATED JULY 29, 2008

The following rates and charges are prescribed for the customers in the area served by Natural Energy Utility Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$12.6405	\$16.8805

Minimum Bill

The minimum bill shall be \$16.8805